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House Committee Activity: April 14 - 17, 2003

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Budget hearings held by the House Finance, Ways & Means Committee end this week. Hearings have been conducted since March 11th. (See the latter part of the Review for recent summaries.) Also winding down is subcommittee activity, with many subcommittees considering final calendars on April 22nd and 23rd.

Agriculture

Matt Barnes

The **Agriculture Committee** met Tuesday, April 15, to consider **HB 1772** (Davidson). An amendment rewrites the bill and enacts model language to aid enforcement of the Tennessee Tobacco Manufacturer's Escrow Fund Act. Present law requires all tobacco manufacturers selling cigarettes within this state after May 26, 1999, to become a participating manufacturer in the Master Settlement Agreement and perform the financial obligations thereunder or place into an escrow account certain amounts from tobacco sales as required under the Act.

This bill requires every manufacturer to certify annually to the Commissioner of Revenue and Attorney General that it either is a participating manufacturer or is a non-participating manufacturer in full

compliance with the escrow fund requirements. The Committee went into recess to hear from Carolyn Smith of the Attorney General's Office. Ms. Smith stated most, if not all, of the 46 states party to the Agreement have enacted similar legislation. Chairman Davidson pointed out the legislation is needed because the state Attorney Generals have realized companies are springing up everywhere to thwart the requirements of the 1998 Agreement. The bill passed to Finance, Ways, and Means as amended.

Louis Buck, State Executive Director for the United States Department of Agriculture Farm Service Agency, spoke generally about the Agency and its roots as a federal program that is administered locally. Among the Agency's efforts, Mr. Buck noted the federal Farm Security and Rural Investment Act of 2002 ("2002 Farm Bill"),

(continued)

which has improved safety nets for farmers and allowed for much-needed planting flexibility. Visit the Agency on the Web at www.fsa.usda.gov for more information.

Children & Family Affairs

Shannon Romain

The Full Committee

The committee met on Tuesday with eight bills on the calendar. **HB 1861** (Rep. Hagood) was **referred to Finance, Ways and Means**. The bill strengthens the procedures enacted in 1999 for notifying schools principals of the enrollment of children who have been adjudicated for serious offenses. As amended, the bill mandates that when a child initially enrolls in a LEA the parents are required to inform the principal if the child has been suspended, expelled, or adjudicated delinquent. It also requires the juvenile court and the local law enforcement agency to prepare an abstract of the adjudicated offenses for the court files and law enforcement records. A copy of the abstract must be provided to the child's parents or legal custodian, who must in turn, provide the principal with a copy. If the child is placed in the custody of the Department of Children's Services, the court must make a finding that the principal shall be notified in writing by either the court or the department. The amendment makes the bill. The fiscal note on the bill estimates an increase in local state expenditures of less than \$100,000.

The remaining bills on the calendar were **referred to Calendar and Rules**. **HB 0859** (Rep. Brown), as amended, permits a parent to make alternate transportation arrangements for a child if that parent's license is currently, expired, suspended, or revoked, etc. Furthermore, a parent having custody of a child may refuse to turn the child over if that parent is aware of the aforementioned circumstances surrounding the other parent's license. Such refusal will not constitute a violation of the parenting plan. **HB 1391** (Rep. B. Turner) gives the court the discretion to require an individual who violates a child support order to remove litter or work in a recycling plant as an alternative to or in addition to incarceration. **HB 1408** (Rep. Patton) provides civil immunity for judges that may arise from the subject matter taught in premarital training courses and **HB 1480** (Rep. Chumney), as amended, creates a new category of alimony called transitional alimony. Tennessee courts favor rehabilitative alimony, which is typically awarded to assist a spouse in going back to

school, and can be adjusted periodically according to changes in circumstances. Transitional alimony is non-modifiable, deductible, short-term financial support that helps an economically disadvantaged spouse adjust to the economic consequences of divorce. It is not intended to assist with education or for any other long-term situations.

HB 2038 (Rep. McMillan) corrects citation errors and clarifies that the Department of Humans Services may adjust a child support order upon a determination that a substantial change in circumstances exists (generally a 15%). The department is not required to wait until a requesting party presents proof of a change in circumstances. A committee amendment to the bill corrects a typographical error. **HB 2050** (Rep. McMillan), an administration bill, was presented by Rep. John DeBerry. It revises the Interstate Compact on Juveniles, which promotes reciprocity among the states regarding the adjudication and return of children that have runaway, absconded, etc. **HB 2051** (Rep. McMillan) was presented by Rep. Shaw. The bill authorizes the Department of Children's Services to collect identifying information on abuse service providers in order to track the effectiveness of such programs. The committee made a recommendation for an amendment to the bill that corrects a typographical error.

Domestic Relations Subcommittee

HB 0875 (Rep. R. Johnson) was referred to the full committee with a recommendation for an amendment which makes the bill. The bill amends and clarifies legislation enacted in 1995 or 1996. It revises adoption provisions relating to home studies and foreign adoptions.

The following bills were deferred for one week:
HB 0861 (Rep. Bunch)
HB 1657 (Rep. J. DeBerry)

The following bills were taken off notice:
HB 1704 (Rep. Dubois)
HB 1121 (Rep. Shepard)

Family Justice Subcommittee

HB 1146 (Rep. J. DeBerry) was referred to the full committee and **HB 1079** (Rep. Patton) was withdrawn. **HB 1146** removes from the law the provision that the creation of the Commission on Responsible Fatherhood is contingent on the availability of funds. **HB 1079**

shifts money from the marriage license fee from the Weems Academy to the Urban Ministry Safehouses.

The Domestic Relations and the Family Justice Subcommittees are scheduled to have their final meetings next week.

Commerce

Matt Barnes

The Full Committee

The **Commerce Committee** met Tuesday, April 15, with 12 bills on the calendar.

HB 0262 (Shepard), regarding prescription drug benefit management, was rolled one week, as well as **HBs 1277** and **1279** (Hargett), regarding real estate agents and brokers.

HB 1386 (McKee) involves the stabilization of the TennCare provider network to assure providers are paid timely and according to amounts determined by managed care companies and providers. The Committee adopted an amendment that rewrites the bill and changes the effective date to January 1, 2004. After considerable discussion and a period of recess to hear from Heather Perry, Legislative Liaison for the Bureau of TennCare, and Adrienne Knestrick, lobbyist for the Hospital Alliance of Tennessee, the bill was rolled one week. Rep. Brenda Turner requested that a representative from TennCare, one from Finance and Administration, and one from the Administration address some of the Committee's concerns over TennCare at next week's meeting. Chairman Hargrove stated the Committee intends to honor that request.

HB 1274 (Curtiss), as amended, clarifies the definition of auto auction and exempts it from having to keep an escrow account when such auction does not accept and deposit funds of others. The bill passed as amended to Calendar and Rules.



Rep. McKee

HB 1986 (Head), as amended, removes the exclusion from the definition of contractor those persons constructing residences on private property for resale in certain counties. The amendment makes the bill and allows the contractors to be grandfathered in without taking a test. The bill passed as amended to Finance, Ways, and Means.

HB 0722 (Curtiss) has an amendment that makes the bill and specifically requires dealer permission before filling or refilling liquefied petroleum gas tanks, as some dealers have construed "service" in the present law to include filling and refilling. The bill passed as amended to Calendar and Rules.

HB 0931 (Hagood), as amended, revises present law to allow financial institutions to disclose information thought relevant to a possible violation of law. The amendment makes the bill and, as discussed in Committee, offers protection to the elderly. The bill passed as amended to Calendar and Rules.

HB 1397 (Eldridge) has an amendment that makes the bill and requires a workers' compensation insurer to provide within 30 days a copy of an insured's prior three-year loss run history upon written request from the insured or insured's designee. The bill passed as amended to Calendar and Rules.

HB 2057 (McMillan), as amended, includes information on pre-need trust accounts in the information that must be provided to the Commissioner of Commerce and Insurance prior to the sale or transfer of a cemetery. The bill authorizes the Commissioner to deny, suspend, revoke, or refuse to renew any certificate of registration for violations. The bill passed as amended to Calendar and Rules.

HB 1943 (Hargrove) changes provisions governing the manufacture and installation of manufactured homes. An amendment specifies that financial institutions engaged in the sale, leasing, or distribution of new and used manufacture homes are not "dealers" for purposes of regulating manufactured home sales. The bill passed as amended to Calendar and Rules.

HB 2056 (McMillan), as amended, makes revisions to current law relative to the filing of insurance policies and forms with the Commissioner of the Department of Commerce and Insurance, the filing of annual statements by county mutual fire insurance companies, the filing of premium tax for surplus lines insurance, and professional liability reciprocal insurance. The bill passed as amended to Finance, Ways, and Means.

Industrial Impact Subcommittee

The **Industrial Impact Subcommittee** met on Tuesday, April 15 with 22 bills on calendar. The following three moved to full committee:

HB 1099 (Black) requires all individual and group health insurance policies, all self-insured groups and all managed health care delivery policies - delivered, issued, continued or renewed on or after July 1 of this year - to provide benefits or coverage for colorectal screenings. TennCare is excluded.

HB 1958 (Vaughn), as amended, entitles a person to medication counseling by a doctor of pharmacy if such person is covered by health insurance and taking six or more prescribed medications. In its original form, the bill would have made the counseling sessions reimbursable through the patient's insurance coverage. The amendment offered in the subcommittee removes the mandate and makes the coverage permissive.

HB 1343 (Hargrove) requires the Comptroller's annual actuarial study of the TennCare program and its MCOs to include information on actual provider reimbursement rates. This information would allow Tennessee provider rates to be compared to similar programs in other states. By law, the Comptroller's annual actuarial study is reported to the General Assembly. The bill asks that this information be included in that study.

Taken off notice were HB 0577 (Sontany) that requires a bittering agent to be added to certain engine coolants or antifreeze manufactured after January 1st of next year and HB 1335 (Shepard) that sets a list of requirements for contracting agents and payors.

The remainder of the calendar was rolled one week. The following bills will be heard on the 22nd:

HB 1248 (Chumney) prohibits health insurers from terminating coverage to a spouse or dependent of an insured person in the event of death, separation or divorce. As amended, it applies to group plans with 25 employees or more and makes other changes.

The six bills dealing with medical service corporations that Representative Briley mentioned on the House floor on Monday (**HBs 1128, 1129, 1130, 1131, 1132, 1133**), were rolled with the intent of hearing the compromise bill.

HB 1439 (Shepard), which establishes guidelines for recouping health care provider claims, and **HB 1440**

(also by Shepard) which creates procedures and requirements for MCOs to use with health care providers for coding and bundling, were rolled to allow the sponsor to work on the language. Representative Shepard also rolled **HB 1113**, which makes it a violation of the Consumer Protection Act to violate certain pharmacy access provisions by health insurance issuers or managed health insurance issuers.

HB 1482 (Armstrong) requires buildings, which are over three stories and required to have plans and specifications prepared by a registered architect or engineer, to have a registered architect or engineer provide construction phase services.

HB 2054 (McMillan, Towns) revises current law regarding boxing.

HB 1655 (J. DeBerry), requires the Commissioner of Commerce and Insurance to develop a plan for the equitable apportionment among insurers of those applicants who cannot get coverage through ordinary methods.

HB 1650 (McMillan) enacts reforms involving formularies on prescription drugs and drug costs.

HB 1164 (Towns) creates an offense for insurance companies to increase penalties for having bars on windows and doors of a home, and **1165** (Towns) prohibits setting insurance rates based on zip codes.

HB 1102 (Kernell) reauthorizes the comprehensive health insurance pool. It will be considered if needed.

The Industrial Impact Subcommittee *will close after the next meeting on the 22nd.*

Utilities and Banking Subcommittee

The **Utilities and Banking Subcommittee** met Tuesday, April 15, with four bills on notice, all rolled one week:

HB 1600 (West) reduces from seven to three years the amount of time a bankruptcy can prevent a person from becoming a collection agency location manager. An amendment makes the bill and allows the Collection Service Board to make a decision on a case-by-case basis. The Subcommittee requested the bill be rolled one week to review the amendment.

HB 1720 (Curtiss) enacts the "Tennessee Fair Lending Act" and establishes rules and regulations governing certain home loans and home loan lenders.

HB 1652 (DuBois) establishes procedures for issuance of administrative inspection warrants authorizing building officials to inspect premises to determine whether violations are occurring.

HB 2009 (McMillan) updates the energy conservation building codes for public buildings to reflect the shift to The 2000 International Energy Conservation Code with 2002 Amendments, published by the International Code Council.

Small Business Subcommittee

The **Small Business Subcommittee** met Wednesday, April 16, with seven bills on calendar.

HB 0274 (Maddox), as amended, enacts the Locksmith Licensing Act of 2003. The bill passed as amended to full committee.

HB 0976 (Bowers) transfers the administration of Title V of the federal Older Americans Act, which deals with the employment of older workers, from the Commission on Aging and Disability to the Tennessee Department of Labor and Workforce Development. Representative Bowers stated she would not offer any amendments to the bill and would withdraw it if someone else added an amendment. The bill passed to full committee.

HB 1176 (McCord), which increases the membership of the Real Estate Commission, was rolled one week, as well as **HB 1417** (McCord), which requires vacation lodging services to be registered with the Division on Consumer Affairs in the Department of Commerce and Insurance.

HB 1782 (Pinion), which exempts tow trucks performing consensual towing from the motor carrier provisions, was rolled one week.

HB 1860 (Kernell), as amended, regulates the indoor use of pyrotechnic devices. The amendment applies to counties as well as municipalities and requires notification and the presence of an off-duty firefighter at nightclubs where pyrotechnic devices will be used. The bill was passed as amended to full committee.

The Utilities and Banking Subcommittee has announced its *final meeting* will be on April 22nd. Small Business

will close after its April 23rd meeting.

Study Committee on Plumbers Licensing

The study committee held its third meeting on Monday, April 14, hearing from plumbers' association representatives, contractors, and inspectors. Bob Bratton of I.C. Thomasson Associates, Chris Wehby of Rock City Mechanical, and Bill Lee of The Lee Company spoke against the proposed licensing system that would provide for an apprentice-journeyman-master graduated scale. Harold McDonald of the Memphis Area Plumbers Association, Andrew Ward of Republic Plumbing of Nashville, Robert Craven of Memphis Codes Enforcement, and Billy Borchert of the Plumbers and Pipefitters of Nashville spoke in favor of the proposed licensing system. Those against claimed no benefit would be gained from the legislation, but restrictions to productivity would ensue. Those for the legislation claimed too many plumbers are practicing right now without enough experience and that the work product has suffered. The committee will meet again next Monday at 2:00 in LP31.

Conservation & Environment

Greg E. Adkins

Note: The Wildlife Subcommittee and the Environment Subcommittee have been closed, subject to the call of the Chairman. Parks Subcommittee will meet for the last time next week.



The Full Committee

Chairman Garrett

The **Full Environment Committee** met on Tuesday, April 15, 2003 and considered two bills. **HB 1049** by Rep. McCord was rolled one week. The amended bill allows a 100% disabled veteran to be exempt from buying a hunting/fishing license. **HB 2033** by Reps. Hood and McMillan passed to C&R as amended. The amended bill revises the description of Shelby Farms-Lucius E. Burch as natural areas and increases the size of some existing natural areas.

Wildlife Subcommittee

The **Wildlife Subcommittee** met on Tuesday, April 15, 2003 and considered four bills. **HB 1475** by Rep. Fitzhugh passed to full committee. The bill changes the residency requirements in order to qualify for a lifetime sportsman license. Current law requires a parent of a child under one year of age to be a resident of Tennessee for one year and continue to reside in the state since the child's birth. The bill would require the parent or guardian to only be a resident for 12 consecutive months immediately preceding purchase of the license. **HB 1568** by Rep. McCord passed to full committee. The bill creates the "Tennessee Off-Highway Motor Vehicle Act." The act would require registration of off-road vehicles used for recreation upon purchase. The bill requires that individuals riding off-road vehicles on private land obtain permission from the private landowner. **HB 1228** by Rep. Bittle was passed to full committee. The bill mandates safety boating education to persons 12-17 years of age. **HB 1047** by Rep. McCord was rolled to 2004.

Environment Subcommittee

The **Environment Subcommittee** met on Tuesday, April 15, 2003 and considered six bills. **HB 170** by Rep. Briley passed to full committee; the bill would mandate a state tax of \$13.00 on every separate work unit of nuclear material. The revenue generated from the tax would go into a non-nuclear renewable energy development fund. Current law is permissive for each county or municipality to establish a privilege tax on special nuclear material at a rate of \$0.30 for every separate work unit. **HB 603** by Rep. Briley was taken off notice. The bill would have decreased the number of days the water utility board has to notify appointing authority in writing of vacancy and decreases the number of days appointing authority has to fill such vacancy from 90 to 60 days. **HB 951** by Rep. Tidwell passed to full committee. The bill would add equipment used to remove downed trees, debris, gravel, and sandbars from creeks, streams, ditches that traverse or border agricultural land as a agricultural or forest activity. This means that they would be exempt from the Water Quality Act and TDEC regulations would no longer apply to those particular activities. **HB 871** by Rep. R. Johnson passed to full committee. The bill would require that gasoline sold in Tennessee would have to contain a minimum 10% ethanol. **HB 1776**, also by Rep. Johnson, passed to full committee. The bill would enact the "Board Equity Act of 2003." The act adds one new member to most environmental boards authorized

by statute. From a list submitted by the Tennessee Conservation Voters, the Governor would appoint each of the new members. **HB 1061** by Rep. McCord deletes monitored wells and geothermal wells out of the current water well statute and such wells would not have to be registered or licensed by the department.

Parks Subcommittee

The **Parks Subcommittee** met on Wednesday, April 16, 2003 and considered two bills. **HB 1229** by Rep. Hagood and **HB 890** by Rep Stanley were rolled one week.

Consumer & Employee Affairs

Shannon Romain

Full Committee

The committee referred two bills to Calendar and Rules. **HB 0667** (Rep. Jones, S.) adds veterinarians to the list of providers covered under the Health Care Consumer Right to Know Act of 1998. **HB 2010** (Rep. McMillan) as amended gives the commissioner or a designated representative of the Department of Labor and Workforce Development the discretion to assess penalties for wage violations. Furthermore, it mandates that the assessment shall become the final order of the commissioner and is not subject to further review if the employer fails to notify the department of its intent to contest the assessment within 30 days after receipt of written notice of the penalty. The amendment makes the bill.

Consumer Affairs Subcommittee

Four bills were referred to the full committee. **HB 1096** (Rep. L. Deberry) makes it a violation of the law for a business to misrepresent its name or location in the telephone directory or directory assistance database. **HB 1610** (Rep. West) authorizes the secretary of state to establish consumer affairs offices in the cities of Memphis, Knoxville, and Nashville. The fiscal note on the bill is not available, however the sponsor estimates that it will be fairly large. **HB 1753** (Rep. Maddox), as amended, requires that any person or for-profit entity who receives compensation for donations by making telephone solicitations for a charitable organization to any residential subscriber must inform the potential donor of the amount of the donation that will actually go

to the charity. The committee voted to recommend an amendment to the bill that exempts not-for-profit entities. **HB 1758** also by Rep. Maddox prohibits the practice of making representations in an initial offer for a prize or travel services, or in the primary text of a solicitation, promotion, advertisement or other offering and then putting concealed, inconspicuous, or otherwise obscure contradictions in a disclosure. Any violation of the law would be deemed an unfair and deceptive practice. The committee adopted two amendments to the bill. Amendment #1 clarifies the intent of the bill and Amendment #2 specifies that the provisions of the enacted legislation shall not apply after the effective date to any motor vehicle dealer in compliance with the federal advertising regulations of the Tennessee Motor Vehicle Commission.

The following bills were deferred for one week:

HB 0794 (Rep. Buttry)
HB 1590 (Rep. West)
HB 1755 (Rep. Maddox)

The following bills were taken off notice:

HB 0963 Rep. Pleasant
HB1270 Rep. Curtiss
HB1445 Rep. Cochran
HB 1788 Rep. Briley

Employee Affairs Subcommittee

The subcommittee met this week. One bill was referred to the full committee. **HB 1070** (Rep. Godsey) was presented by Rep. Pleasant who introduced an amendment to the bill that changes the title of unemployment appeals referees to unemployment hearing officers. The committee recommended adoption of the amendment which makes the bill.

The following bills were deferred one week:

HB 0421 McDaniel	HB 1345 Rep. West
HB 0527 Rep. Windle	HB 1588 Rep. West
HB 0883 Rep. Bowers	HB 1611 Rep. West
HB 1162 Rep. Towns	HB 1612 Rep. West
HB 2011 Rep. West	HB 1038 Rep. Hargrove
HB 1587 Rep. West	

The following bills were taken off notice:

HB 0015 Rep. M. Turner	HB 1299 Rep. Fitzhugh
HB 0017 Rep. M. Turner	HB 1300 Rep. Fitzhugh
HB 0085 Rep. Buck	HB 1301 Rep. Fitzhugh
HB 0493 Rep. Buck	HB 1380 Rep. Briley

HB 0495 Rep. Buck
HB 0496 Rep. Buck
HB 0971 Rep. Clem
HB 0980 Rep. Newton
HB 1003 Rep. Clem

HB 1698 Rep. Odom
HB 1703 Rep. Odom
HB 1941 Rep. Newton
HB 1988 Rep. Fitzhugh
HB 0723 Rep. Curtiss

The Consumer Affairs and the Employee Affairs Subcommittees have scheduled final meetings next week.

Education

Pam Mason

The Full Committee

The **House Education Committee** met on Wednesday, April 16, to consider its calendar.

Referred to Calendar and Rules:

HB 1093 - (DeBerry, L.) requires institutions of higher education to report to appropriate law enforcement officer if there is probable cause to believe any student is committing or has committed any felony of Class A misdemeanor.

HB 807 - (Black) gives TSAC the authority to set the rate of interest on unpaid graduate nursing programs when recipient does not remain in, and/or return to Tennessee to teach or practice. An amendment on this bill covers both the original setting of the loan and the payback.

Referred to Finance, Ways and Means:

HB 1891 - (Bowers) as amended, requires new students at any public or private higher education institution to return a completed waiver regarding hepatitis B infection. The waiver will cover the risks for this disease and the effectiveness of a vaccine. A student eighteen (18) years of age or older may sign or, for minors, the student's parent or guardian.



Rep. Bowers

Deferred one week:

HB 995
HB 889

Off Notice:

HB 1097

HB 233

HB 484

K-12 Subcommittee

At its Tuesday meeting, the **K-12 Subcommittee** took the following actions.

Referred to Full Committee:

HB 1088 - (DeBerry, L.) requires student activity funds to be deposited in a state depository, or state or federally chartered credit union.

Moved to last calendar:

HB 1841

Off Notice:

HB 1097

HB 233

HB 484

Deferred to next week's calendar:

HB 1923 HB 203 HB 1925

HB 1723 HB 2035 HB 99

HB 100 HB 525 HB 638

HB 752 HB 988 HB 1174

HB 1188 HB 1200 HB 1201

HB 1302 HB 1407 HB 1432

HB 1433 HB 1752 HB 1850

HB 1869 HB 1886 HJR 19

HB 1844 HB 1877 HB 2016

HB 96 HB 795

Higher Ed Subcommittee

The **Higher Ed Subcommittee** met on Tuesday and Wednesday of this week. At its Tuesday meeting, the first 30 minutes were devoted to its calendar.

Referred to Full Committee:

HB 1987 - (McMillan) as amended removes the automatic escalator in the restoration grants program. This would equalize the amounts that TSAC grants to students across the state whether for public or private institutions. The statutory limit would be removed.

Deferred for two weeks:

HB 737

HB 1227

Deferred until completion of the Scholarship Lottery proposal, HB 787:

HB 1773 HB 1199 HB 1326

HB 1708 HB 1884 HB 1940

HB 1949 HB 1309 HB 402

Taken off notice:

HB 526

The subcommittee next began discussion of the scholarship lottery bill, **HB 787**, (Newton). Chairman Brown spoke to the far-reaching impact of this bill for Tennessee and acknowledged the privilege to serve at this time. At the Chairman's direction, the meetings on this legislation are being taped. Rep. Newton began a section-by-section explanation of his proposal.

On Wednesday, the meeting continued. An amendment adopted by Senate Finance, Ways and Means and the implications were considered. As adopted in their meeting on Tuesday, first year costs would increase by approximately \$39 million and the Early Childhood Education component, section 2, could not be funded. The committee heard from various speakers on different sections of the House amendment. The process will continue next week.

Finance, Ways & Means

Cathy Higgins

The Full Committee Tuesday, April 1, 2003

The full committee met Tuesday, April 15, 2003, with 15 bills on calendar. House Bill 1470 by Rep. Head was rolled one week at the sponsor's request. HB 1361 (Head) was referred to Budget Subcommittee. The remaining bills were **referred to Calendar and Rules**.

SJR 0017 (Harwell) memorializes the Republic of China.

HB 2003 (McMillan), as amended, requires any sales and use tax dealer to file an electronic tax payment when the dealer is consistently liable for \$10,000 or more within a tax period (12 consecutive months).

HB 1895 (Head), as amended, gives the Board of Equalization jurisdiction to assess a cost not to exceed

\$5 per parcel (limit \$100) for an appeal. The bill was further amended to provide for a refund for all or part of the assessed costs to the extent the appellant prevails in the appeal.

HB 1990 (Hood), as amended, provides a job tax credit (franchise) and an industrial machinery excise tax credit for a general partnership that establishes and operates a call center in Tennessee that is placed in service on or after June 30, 2003.

HB 0913 (Hargett) from Health, requires optometry applicants to graduate from a school approved by the Board, revises conflict of interest provision for Board members, and increases Board members' per diem from \$50 to \$100.

HB 1635 (West), as amended, names the Codes Prop House at the fire academy to honor "William J. Tangye." The cost of the sign will come from non-state sources.

HJR 0061 (West), as amended, names the administration building at the Tennessee School for the Blind to honor "Ralph A. Brewer." The cost of the sign will come from non-state sources.

HB 1685 (Montgomery) authorizes the issuance a new specialty license plate to honor Volunteer Firefighters.

HB 1994 (Miller), as amended, provides for consolidation of the state's property insurance program and casualty insurance program into a single fund for accounting and budgeting purposes.

HB 1731 (Garrett) from Children and Family, provides that the circuit or the chancery court of the county in which the petitioned child resides will have jurisdiction to hear cases involving grandparent visitation.

HB 0556 (Brooks of Shelby) from State and Local, enacts the "Inner-City Redevelopment Act of 2003."

HB 1784 (Wood) from Judiciary, amends the existing code relative to criminal records of vehicle operators transporting the public and the costs of the investigation. Currently, the code limits this provision to counties with a metropolitan form of government and population in excess of 100,000 (Davidson) and counties with a population of 825,000 to 830,000 (Shelby) based on 1990 census. This bill will expand the applicable counties to all those with a population of 100,000 or more based on 2000 federal census. Applicable counties: Blount, Hamilton, Knox, Montgomery,

Rutherford, Sullivan, Sumner, Washington and Williamson.

HB 0303 (McMillan) from Education, requires that new students at any public or private institution of higher learning, who live in on-campus student housing, shall return a completed waiver regarding meningococcal disease. This form will indicate the availability and effectiveness of the vaccine and that the student, parent or guardian has received the information and chosen for the student to have or not have the vaccine. If the student has received the vaccine, the date of such must be given. This information will be filed in the medical files on campus and are confidential.

Budget Subcommittee Wednesday, April 16, 2003

Budget Sub met to discuss 28 bills on calendar. Several of the bills were rolled to future calendars. The following bills were **referred to full committee**.

HB 1745 (Fitzhugh), as amended, extends the reporting deadline for the Predatory Lending Study Committee to February 28, 2004.

HB 1946 (Hargrove) authorizes the issuance of the NASCAR license plate. The amendment adopted changes the allocation so that 50 percent that is allocated to the nonprofit organization will be distributed in equal parts to the Tennessee State Museum Foundation and the Speedway Children's Charities in Tennessee. The amendment specifies that the 40 percent by statute that is allocated to the Arts Commission will instead be directed to the Tennessee State Museum, which is administered by the Arts Commission.

HB 662 (Vincent), as amended, will allow charitable organizations to have the option of paying the gross receipts tax instead of the sales tax on specific vending machines. The applicable machines must be coin operated and dispense a product with a price of \$0.25 or less. The machines must also have a fixed price and not be able to dispense change. It allows the Department of Revenue to charge a fee of \$1.00 per machine and \$2.00 per company.

HB 1893 (Head) authorizes the State Board of Equalization to impose a fee for processing property tax exemption applications. The State and Local amendment prohibits the fee from exceeding \$100 and requires the fee to be proportionate to the value of the property at issue.

HB 0543 (Ferguson) from Judiciary, authorizes criminal background checks of direct care employees of certain health care facilities.

HB 1252 (McMillan) allows property owned by the state development centers and controlled by the division of mental retardation services to be sold or leased. The proceeds of such sale or lease is to be deposited in a special trust fund earmarked for purposes of planning and developing programs for persons with mental retardation.

HB 1633 (West) authorizes the issuance of "The Hermitage" license plate.

HB 0539 (Overby) from Judiciary, prohibits expungement of a defendant's records or charges when such defendant has been convicted of any offense or charge, including a lesser included offense or charge.

HB 1065 (Brooks of Shelby), as amended in Commerce, makes the funds available in the Small and Minority-Owned Telecommunications Business fund to be made available to the new Small and Minority-Owned Business Assistance Program fund.

Government Operations

Brian Zuzenak

The **House Government Operations Committee** met at 10:30 on Tuesday to consider fifteen pieces of legislation.

HB 1149 (J. DeBerry), **HB 1426** (Chumney), **HB 0200** (Turner, M.), **HB 0205** (Turner, M.), and **HB 1497** (Kernell) were rolled one week. **HB 1535** (Kernell) was rolled two weeks. **HB 1553** (Jones) was rolled to the last calendar. **HB 1527** (Kernell) was taken off notice.

HB 1965 (Dunn) was referred with a negative recommendation to Conservation. It transfers authority to regulate exotic animals from the TWRA to the Department of Agriculture. TWRA testified that they were the best agency to regulate exotic animals because of their experience. The Department of Agriculture testified that they did not want the authority to regulate exotic animals but would accept it if the legislature wished.

HB 1340 (Hargrove) was referred to Judiciary as amended. It creates a grant program for sexual assault programs funded by an additional fine on certain sexual offenses. An amendment adds a sunrise to the bill.

HB 0553 (Armstrong) was referred to Health. The amendment that makes the bill will be discussed in the next committee. It deals with day care in nursing homes.

Sunset Extensions—The following sunset extensions were referred to Calendar & Rules:

HB 1501
(Kernell) Families
First Advisory
Council - 2009
HB 1518
(Kernell)
Department of
Transportation -
2005

HB 1522 (Kernell)
State Board for
Licensing Contractors - 2009

HB 1545 (Kernell) Southern Dairy Compact - 2007



Chairman Kernell

Health & Human Resources

Judy Narramore

The Full Committee

The **Health & Human Resources Committee** met at noon on Tuesday, April 15, to consider 10 bills. After completing the calendar, the committee heard a presentation from Conrad Koller, Executive Director of the Epilepsy Foundation.

Four bills were referred to FW&M. **HB 0554** by Rep. Armstrong as amended requires the Department of Health to create a 12-month pilot project in one nursing home to confirm the value of disabled volunteers in long-term care facilities. The participating nursing home would be reimbursed for costs up to \$10,000 funded from the Nursing Home Resident Protection Trust Fund. **HB 1424** by Rep. Armstrong specifies that the \$100 license fee paid to the Health Planning and Advisory Board for home care organizations is applicable only to organizations that provide home health services or hospice services. This bill also eliminates the \$50 fee

for homes for the aged, the \$100 fee for assisted living facilities, and applies the \$75 license fee to non-residential methadone treatment facilities but not other alcohol and drug facilities. **HB 0641** by Rep. Maddox revises the licensing fee paid by home care organizations authorized to provide only professional support services and redefines *personal support services*. **HB 1148** by Rep. J. DeBerry requires that TennCare recipients have unrestricted access to medications prescribed for diabetes, cancer, HIV/AIDS, and mental illness.

Three bills were referred to C&R. **HB 0546** by Rep. Maddox requires the Department of Mental Health & Developmental Disabilities to have applications available as provided under the Community Mental Health Center Cooperation Act of 1998 on or before



Rep. Maddox

January 1, 2004. **HB 1453** by Rep. Hagood authorizes the Board of Dentistry to issue facility permits for dental offices where dentists use general anesthesia, deep sedation or conscious sedation. **HB 0470** by Rep. Fowlkes extends the right of access to public buildings for dog guides in training to dogs being raised or socialized under the authorization of an accredited school for training dog guides.

HB 0707 by Rep. Towns and **HB 1768** by Rep. Black were discussed and ultimately rolled two weeks and one week, respectively, at the request of the committee. **HB 0236** by Rep. Newton was rolled one week.

Mental Health Subcommittee

The *final meeting* of the **Mental Health Subcommittee** was held Tuesday afternoon. Three bills were on calendar. Two bills were referred to full committee and **HB 1751** by Rep. Maddox was taken off notice. **HB 0791** by Rep. Buttry requires that the methodology for payments to service providers by the Division of Mental Retardation Services include salaries for direct care staff that are at least commensurate with the salaries of staff at state developmental centers. **HB 0974** by Rep. Bowers requires the Commissioner of Mental Health and Developmental Disabilities to establish, by October 1, 2003, a continuum of behavioral health services for adults, children, and families who are not eligible for

TennCare. This bill also requires the Commissioner to establish, by October 1, 2003, a system that assures mental health counseling, treatment, and support services are available to people affected by disastrous, catastrophic, or unforeseen events.

Professional Occupations Subcommittee

Wednesday morning, the **Professional Occupations Subcommittee** met to consider 22 bills. Four bills were referred to full committee. **HB 0944** by Rep. S. Jones authorizes the Committee of Occupational Therapy to establish requirements for assessing the continued competence of licensed occupational therapists. **HB 1091** by Rep. L. DeBerry as amended permits a dentist licensed in Tennessee, certified by the American Board of Oral and Maxillofacial Pathology, and certified in oral pathology to be a lab director of oral pathology without obtaining additional medical laboratory licensure. **HB 1116** by Rep. Shepard as amended establishes guidelines for lease arrangements between optometrists and lessors, and prohibits a lessor from directly or indirectly controlling or attempting to control the professional judgment or practice of an optometrist. **HB 1697** by Rep. Odom as amended requires clinical pastoral counselors to be licensed rather than certified.

HB 1700 by Rep. Odom (chiropractors) and **HB 1909** by Rep. Bowers (surgical technologists) were discussed at length and ultimately rolled to next week's calendar. The following bills were also rolled to next week's calendar: **HB 0268** by Rep. Shepard, **HB 0771** by Rep. Buttry, **HB 1452** by Rep. McMillan, and **HB 1906** by Rep. McCord. **HB 0294** by Rep. J. DeBerry was rolled to the first calendar of 2004. The remaining bills on calendar were taken off notice: **HB 0136**, **HB 0206**, **HB 0293**, **HB 0446**, **HB 0773**, **HB 1385**, **HB 1389**, **HB 1419**, **HB 1767**, **HB 1942**, and **HB 1167**.

The *final meeting* of the Professional Occupations Subcommittee will be held April 23.

Public Health & Family Assistance Subcommittee

The **Public Health & Family Assistance Subcommittee** had 10 bills on the calendar Wednesday morning. Four bills were referred to full committee. **HB 0614** by Reps. Hargett, Davis as amended exempts certain organizations from food service regulation by the Department of Health. **HB 0669** by Rep. M. Turner as amended enacts the "Consumer Protection Act for

Wheeled Mobility." **HB 1692** by Rep. Bowers as amended reduces the number of members on the Board of Cosmetology from nine to seven. **HB 2039** by Rep. B. Turner as amended revises existing day care law.

Rep. Bowers presented an amendment to **HB 0442** (data collection on sepsis) and rolled the bill to next week's calendar to allow members time to review the amendment. The following bills were also rolled to next week's calendar: **HB 0708** by Rep. Towns, **HB 1060** by Rep. McCord, **HB 1169** by Rep. Towns, **HB 1171** by Rep. Towns, and **HB 1430** by Rep. Brown. The subcommittee voted to reconsider its action on **HB 1244** by Rep. Chumney (children's product safety); this bill will be on next week's calendar.

Wednesday afternoon, a *public hearing* was held on **HB 0975** by Rep. Bowers. This bill, which prohibits the Commission on Aging and Disability from providing direct services to individuals if a local community agency is providing such services, will be on calendar next week.

The *final meeting* of the Public Health & Family Assistance Subcommittee will be held April 23.

Health Care Facilities Subcommittee

Subject to the call of the Chair, the *final meeting* of the **Health Care Facilities Subcommittee** was held Wednesday at noon with four bills on calendar. Three bills were referred to full committee and **HB 1351** by Rep. Curtiss was rolled. **HB 1261** by Rep. McMillan extends the current moratorium on new intermediate care nursing home beds until June 30, 2005. **HB 0556** by Rep. B. Turner as amended increases the cap on ICF/MR beds by 50 and earmarks those beds for persons currently residing in state institutions. **HB 1135** by Rep. Briley as amended revises existing law related to nursing homes.

Judiciary

Paige Edwards

Criminal Procedure & Practice Subcommittee

On Tuesday, the **Criminal Procedure & Practice Subcommittee** met to consider 18 bills. **HB 1166** by

Representative Towns was transferred to the **Constitutional Protections Subcommittee**. **HB 652** by Representative Stanley was taken off notice. The following eight bills were rolled to next week: **HB 457** by Representative Briley, **HB 606** by Representative John DeBerry, **HB 607** by Representative John DeBerry, **HB 782** by Representative Patton, **HB 1161** by Representative Towns, **HB 1202** by Representative Chumney, **HB 1641** by Representative West, and **HB 1901** by Representative McCord.

The following eight bills were **sent to the full committee**:

- **HB 74** by Representative Buck, as amended, includes sexual battery by an authority figure under the definition of a sexual offense to determine whether to allow a suspended prosecution or probation.
- **HB 270** by Representative Shepard, as amended, creates the Youthful Offender Amnesty Act. Under this bill, an eligible individual could petition the court to have all public records of convictions or adjudications of delinquency expunged that involve the underage purchase, possession, transportation, or consumption of alcohol or beer. The petition could be filed after 10 years have lapsed from the date the petitioner first received a driver license. If the petition is not filed within one year of the date of first eligibility, such person is forever barred from petitioning the expungement of these records. Also, this bill directs the administrative office of the courts to create and distribute a form for petitioning the expungement of these records.
- **HB 806** by Representative Harwell, as amended, requires criminal history information to be made available by the National Crime Prevention and Privacy Compact following the adoption of the compact by the general assembly. The director of the TBI would execute, administer, and implement the compact on behalf of the state. The National Crime Prevention and Privacy Compact is codified in 42 U.S.C. § 14616.
- **HB 1163** by Representative Towns provides that the victim of a carjacking would not be required to pay any expenses incurred in the storage, transportation, or impoundment of the vehicle. These expenses could be taxed as costs in the criminal proceeding.
- **HB 1231** by Representative Windle allows an employee of the department of children's services or department of correction to have access to investigation records and reports prior to a due process hearing where disciplinary action is

considered or issued. Also, this authority would be given to the employee's representative.

- **HB 1403** by Representative Coleman creates a Class A misdemeanor when a person knowingly installs or reinstalls an object that is not a federally approved air bag as part of the vehicle inflatable restraint system.
- **HB 1736** by Representative Towns enhances the punishment for committing drug violations or conspiracies to commit drug violations on the grounds or facilities of any place of worship or within 1,000 feet of the property that comprises the place of worship. Under this bill, these violations would be punishable one classification higher than is provided under the present law. Also, the defendant sentenced for a drug violation would be required to serve at least the minimum sentence.
- **HB 1323** by Representative Santony amends the Criminal Injuries Compensation Act. Under this bill, a victim of statutory rape could file a claim under the Criminal Injuries Compensation Act. This bill specifies that a victim of statutory rape is incapable of giving consent to the offense, not criminally responsible, not an accomplice, incapable of intending the unlawful act, and not responsible for contributing to the crime.

Note: The **Criminal Procedure & Practice Subcommittee** will hold its final meeting of the year on April 22, 2003.

Constitutional Protections Subcommittee

On Tuesday, the **Constitutional Protections Subcommittee** met to consider 17 bills. HB 997 by Representative Buttry failed to pass out of the subcommittee. HB 1710 by Representative West will remain in the subcommittee because the bill received a tie vote of 4-4. Representative West took HB 1605 and HB 1614 off notice. Representative Bowers rolled HB 438 for two weeks. Representative Bittle rolled HB 452 for one week. Representative West rolled the following ten bills for one week: HB 1604, HB 1617, HB 1618, HB 1621, HB 1622, HB 1625, HB 1627, HB 1629, HB 1630, and HB 1637.

HB 1606 by Representative West was sent to the full committee. HB 1606 provides that a handgun carry permit holder shall lawfully carry a handgun under an expired permit prior to approval or denial for a renewed permit. During this interim period, the permit holder would be required to provide proof that a renewal application was delivered to the department of safety.

Note: The **Constitutional Protections Subcommittee** will hold its final meeting of the year on April 29, 2003.

Judicial Administration Subcommittee

On Tuesday, the **Judicial Administration Subcommittee** met to consider six bills. HB 1320 by Representative Brooks (Knox) was taken off notice. The following five bills were **sent to the full committee**:

- **HB 837** by Representative Head, as amended, provides guidelines for utilizing expenditures from the Fraud and Economic Crimes Prosecution Fund. This bill would limit the district attorney's discretion for the use of these funds. This bill specifies that employees' salaries would not be supplemented from the funds that are collected.
- **HB 698** by Representative Hargett includes general sessions courts designated as environmental courts to handle terminations of tenancy for known controlled substance and prostitution violations.
- **HB 141** by Representative McMillan, as amended, provides that the total appeal bond in a civil case shall not exceed \$25,000,000.00, regardless of the value of the judgment. Under this bill, the court may enter appropriate orders if an appellee proves by a preponderance of the evidence that an appellant is dissipating assets outside the ordinary course of business to avoid payment of a judgment. Specifically, the court would be authorized to enter orders that are necessary to protect the appellee and that require the appellant to post a bond in an amount up to the total value of the judgment. This bill addresses issues related to the Tobacco Settlement.
- **HB 953** by Representative Kent enhances the punishment for contempt in an environmental court. Under this bill, punishment for contempt is limited to a fine of \$50.00 and imprisonment not exceeding 10 days for each violation.
- **HJR 274** by Representative McMillan creates a special joint committee to study the present trial court judicial districts, the allocation of judges, other judicial personnel, district attorneys general and district public defenders. The goal of this study is to determine whether a different organization of the trial courts would result in more efficiency and cost savings. Also, this special joint committee would review and determine whether the districts and judicial personnel within the districts are configured and assigned in a manner that will give citizens equal access to the courts and that each citizen is served by a proportionately equal number of judicial

officers. Under this resolution, the special joint committee would report its findings and recommendations, including any proposed legislation or interim reports, by November 1, 2004.

Note: The **Judicial Administration Subcommittee** will hold its final meeting of the year on April 29, 2003.

Civil Procedure & Practice Subcommittee

On Wednesday, the **Civil Procedure & Practice Subcommittee** met to consider 23 bills. HB 163 by Representative Buck, HB 451 by Representative Todd, and HB 1189 by Representative Davis were taken off notice. Two bills were sent to the full committee. The remaining bills on the calendar were rolled to the final calendar of the subcommittee.

The following two bills were **sent to the full committee**:

- **HB 721** by Representative Buck revises the present law related to professional bondsmen. This bill would change the criteria for entering a judgment against a bondsman. Also, this bill revises the present law for forfeited bail bonds and liability of a bondsman. This bill provides additional circumstances that would prohibit a reduction or refund of a premium on a contract for a bondsman to act as surety for a defendant. This bill would remove the trial judge's authority to determine that a new bond is not required by a defendant. This bill would create a capacity for a professional bondsman to act as surety.
- **HB 1567** by Representative Fitzhugh, as amended, limits a contractor's liability when a contract is made with the state. The contractor's liability would be limited to two times the amount of the contract. Also, this bill authorizes the Commissioner of Finance and Administration to negotiate a limit less than two times the contract.

Note: The **Civil Procedure & Practice Subcommittee** will hold its final meeting of the year on April 23, 2003.

The Full Committee

On Wednesday, the **Full Judiciary Committee** met to consider 27 bills. HB 713 by Representative Hackworth and HB 1275 by Representative Patton were referred to summer study for further consideration of issues relating to custodial interference. HB 92 by Representative Buck failed to receive enough votes for passage and will

remain in the full committee. HB 1696 by Representative Casada was rolled for two weeks. Representative John DeBerry rolled HB 605, HB 1145, and HB 1147 for one week. Representative Briley rolled HB 1138, HB 1654, and HB 407 for one week. Representative Kent rolled HB 1324 and HB 1325 for one week. Representative Fowlkes rolled HB 1293 and HB 177 for one week. Also, HR 12 by Representative Brooks (Shelby), HB 441 by Representative Bowers, HB 1378 by Representative Turner (Hamilton), and HB 2030 by Representative McMillan were rolled for one week.

The following five bills were sent to **Calendar & Rules**:

- **HB 847** by Representative Armstrong, as amended, authorizes merchants to conduct investigations to deter the sale of alcohol and tobacco products to underage consumers. Also, this bill would provide guidelines for approving underage individuals to participate in these investigative operations. This bill would provide merchants with authority similar to law enforcement officers who conduct "sting" operations as an effort to enforce the laws prohibiting the sale of alcohol or tobacco products to underage consumers.
- **HB 1673** by Representative Matheny, as amended, requires the presiding general sessions criminal judges in counties that appoint judicial commissioners (magistrates) to establish qualifications and training necessary for a person to be appointed as a judicial commissioner. Present judicial commissioners would be required to meet the qualifications and requirements established by the judge to be eligible for reappointment. The county legislative body would approve the criteria established by the judge.
- **HB 820** by Representative Overbey, as amended, allows notaries to use a stamp to imprint their seal of office. Impression notary seals would be valid until the end of the notary's term of office. As amended, the use of an embossed notary seal after the bill's effective date would not render the acknowledgement defective.
- **HB 1846** by Representative Bunch, as amended, provides homestead exemptions for elderly people. Under this bill, an unmarried individual who is 62 years of age or older would be entitled to a homestead exemption not exceeding \$12,500 upon real property that is owned and used by the individual as a principal place of residence. The homestead exemption for a married couple, one of whom is 62 years of age or older, would be \$20,000 upon real property that is owned by one or both members of the couple and used by the couple as their principal

place of residence. The homestead exemption for a married couple, both of whom are 62 years of age or older, would be \$25,000 upon real property that is owned by one or both members of the couple and used by the couple as their principal place of residence.

- **HB 1401** by Representative Brooks (Knox) allows post-secondary institutions to disclose the final results of any disciplinary proceeding conducted against a student who commits a violent crime or a nonforcible sex offense. Likewise, this bill would authorize institutions of higher education to disclose information to a student's parent or legal guardian regarding any violation governing the use or possession of alcohol or drugs. Also, this bill would allow educational institutions to disclose information concerning sex offenders who are required to register with the law enforcement agency of such institution.

The following four bills were sent to **Finance, Ways, & Means**:

- **HB 1322** by Representative Sontany, as amended, adds a member from the House of Representatives and a member from the Senate to the victims of crime coordinating council. The speakers of the House of Representatives and the Senate would choose these members. The per diem and mileage costs incurred would be paid from existing grant funds awarded to the council to pay for administrative expenses.
- **HB 1264** by Representative Walker, as amended, specifies that the salary for a general sessions court judge shall be determined by the higher classification, on the basis of the subsequent census, for the remainder of the judge's term and subsequent terms in office. This bill states that the judge's salary will not be less than the salary paid prior to the reclassification. This bill would become effective on September 1, 2006.
- **HB 189** by Representative Turner (Davidson), as amended, adds another item to the list of available remedies that an employee may seek in an action against an employer who commits discriminatory acts in violation of the state's wage regulations. Under this bill, an aggrieved employee may be awarded compensatory and punitive damages in addition to unpaid wages, attorney fees, and court costs. Also, this bill directs the Economic Council on Women to conduct a study to examine issues relating to wage disparity.
- **HB 1001** by Representative McMillan, as amended, authorizes any military veteran or other designated

individual to request the removal of military discharge records from the official records held in the office of the register of deeds, except records preserved on microfilm. Likewise, the veteran's social security number may be redacted from any military discharge record if the storage of the records permits redaction. This bill provides a standard request form that can be completed and submitted for recording in the office of the county register of deeds. This bill specifies that military discharge records may be viewed through a subscription service approved by the county register. Also, this bill prohibits placing a social security number on any document filed or recorded in the office of the county register of deeds.

Note: The **Full Judiciary Committee** will hold its final meeting on May 7, 2003.

State & Local Government

Lawrence Hall, Jr.

The Full Committee

The **State and Local Government Committee** considered **HB 001**, by Rep. Newton, and sent it to Finance, Ways, and Means. Amendment #1, by Rep. Newton rewrites this bill. The bill, entitled "Tennessee Education Lottery Implementation Law," basically establishes a corporation to oversee the operations of the lottery. There were several amendments proposed and recommended for adoption during the committee's meeting. The following amendments were recommended:

Amendment #2, by Rep. Miller, requires a plan for minority participation to be submitted as a part of the proposal to the board for those companies seeking to implement the lottery.

Amendment #3, by Rep. Miller, creates an Advisory Council on minority business participation composed of nine (9) citizens.

Amendment #4, by Rep. Bunch, prohibits state elected officials, employees of executive, legislative or judicial branches of government, an officer or director of a vendor, or an immediate family member of any such person from serving as a director of the lottery board.

Amendment #5, by Rep. Bunch, prohibits the corporation from purchasing securities from or through a director of the corporation, any person who holds an elected state public office, an officer or director of a

vendor, or any person who is an immediate family member of such persons or officials.

Amendment #6, by Rep. Tindell, provides that lottery retailers are to be paid no less than 6 1/2% of their gross lottery sales. This amendment also gives the board the authority to provide for other forms of compensation for services rendered by lottery retailers.

Amendment #7, by Rep. West, allows any retailer, vendor, or applicant for a retailer or vendor contract to file an appeal of a final action by the board to either the chancery court of Davidson County, or in a court where the event occurred, or where the petitioner is doing business.

Amendment #8, by Rep. Vincent, provides that unclaimed prize money be deposited into an account known as the "legislative education initiative fund." The amendment further requires that moneys in the fund be distributed equally among all 132 members of the general assembly, and to be allocated by the member, within the member's district, for educational purposes consistent with the state constitutional requirements regarding lottery proceeds.

Amendment #9, by Rep. Miller, directs the corporation to strive to achieve 15% minority participation.

Amendment #10, by Rep. Bunch, prohibits the sale of lottery tickets on publicly owned property, meaning all state or local government owned property.

Amendment #13, by Rep. Rinks, (1) creates a prohibition on members of the General Assembly and members of the Governor's cabinet and staff from receiving any compensation from a lottery vendor or any company contracted by the lottery corporation. This prohibition will continue to exist for one year after leaving such positions; (2) creates a procurement panel composed of three members - the State Treasurer, Comptroller, and the Finance and Administration Commissioner. The panel will have the duties of reviewing and submitting comments to the board for consideration on all contracts in excess of \$500,000. The Commissioner of F&A serves as the chairperson of this panel. And, it (3) creates a five member board of directors for the lottery corporation. Three members are to be appointed by the Governor, one by the Lieutenant Governor, and one by the Speaker of the House.



Rep. Rinks

State Government Subcommittee

State Government Subcommittee passed two bills out

to full committee. **HB 812**, by Rep. Pinion, authorizes TRICOR to develop policy to sell products to state, city, and county employees. **HB 810**, also by Rep. Pinion, allows TRICOR to develop procedures for hiring and recruiting.

Local Government Subcommittee

Local Government Subcommittee considered and passed **HB 1793**, by Rep. Ferguson, to full committee. This bill, as amended, will allow the board of zoning appeals in Roane County to increase the membership to 3, 5, 7, or 9 members.

The **Elections Subcommittee** is closed.

Transportation

Greg E. Adkins

The Full Committee

Note: The Transportation Subcommittees will be closing next week.

Full Transportation Committee

The **Full Transportation Committee** met April 16, 2003 and considered six bills.

The following three bills were rolled one week:

1. **HB 1054** by Rep. McCord--The bill would allow a motorcycle to stop at a traffic light and if the vehicle detection device doesn't trigger the light to change then with due caution the motorcyclist can proceed through the red light.
2. **HB 896** by Rep. Cooper--The bill requires TDOT to develop guidelines for municipal tourism and direction signage and requires the commissioner to report progress to the House and Senate Transportation Committees in January 2004.
3. **HB 697** by Rep. Langster--The bill authorizes "Children's Hospital, Vanderbilt University Medical Center" signs for Davidson County.

HB 819 by Rep. Pinion passed to FW&M as amended. The amended bill would require an individual acquiring a drivers license from the Department of Safety to either have a Social Security Number, or an Individual Taxpayer Identification Number (ITIN #) and legal

presence. **HB 952** by Rep. Tidwell passed to FW&M as amended. Present law requires that all persons driving or riding a motorcycle to wear a *crash* helmet that is approved by the National Highway Transportation Safety Administration (NHTSA). The bill would require the driver or the rider to wear a *motorcycle* helmet. The bill would also exempt persons 21 years of age and older from wearing a helmet while riding a motorcycle; present law requires everyone to wear a crash helmet at all times. The amendment requires that the motorcyclist have medical and accident insurance. **HB 1775** by Rep. Maddox passed to FW&M. The bill creates a special purpose license plate for honorably discharged members of the Tennessee National Guard.

Public Safety & Rural Roads Subcommittee

The **Public Safety & Rural Roads Subcommittee** met on Tuesday, April 15, 2003 and considered eleven bills on the calendar. **HB 1705** by Rep. DuBois passed to full committee; the bill would prohibit the acceptance of matricula consular cards for proof of identification for driver license application and issuance purposes. **HB 1742** by Rep. Fitzhugh passed to full committee as amended. The amendment rewrites the bill and authorizes the Department of Safety to identify the residence of the county in which the applicant is applying for registration of automobile tags. **HB 1790** by Rep. Rowland passed to full committee with an amendment. As amended the bill would require that persons without a social security number or INS documentation would not be able to acquire a driver's license. Legal residents with proper INS documentation would be required to reapply for a driver's license every year while a person with a social security number would only have to apply for a driver's license every five years. **HB 1640** by Rep. West passed to full committee as amended. The amended bill would exempt qualifying agents and qualifying managers from taking continued legal education--dealing with private security guards. **HB 253** by Rep. Stanley passed to full committee as amended; the amended bill would require drivers license suspension of an at-fault driver who hits or causes serious bodily injury to a pedestrian minor on school property. **HB 1206** by Rep. DuBois was taken off notice. **HB 1284** by Rep. Odom was rolled one week.

HB 1750 by Rep. Maddox was rolled to 2004. **HB 604** by Rep. J. DeBerry was rolled one week. **HB 774** by Rep. Pleasant was rolled one week. **HB 1959** by Rep. Vaughn was rolled one week.

Public Transportation and Highways Subcommittee **The Public Transportation and Highways**

Subcommittee met on Wednesday, April 16, 2003 and considered nine bills. The following sign bills passed to full committee:

1. **HB 1027** by Rep. Fowlkes--"Lloyd (Geke) Kirk and Kitch Aymett Memorial Bridge" sign.
2. **HB 1761** by Rep. Maddox--"George Broussard Memorial Bridge" sign.

HB 2013 by Rep. Pinion passed to full committee as amended. The amended bill would allow the Commissioner of TDOT to organize the department into departmental units, as he/she deems necessary to carry out the duties and functions imposed on the Commissioner. The Building Commission must authorize the changes. **HB 239** by Rep. Pinion passed to full committee as amended. The amended bill authorizes TDOT not to publish settlement notices of the bidding request in the newspaper. The amendment does not apply to bid notices. **SJR 104** by Rep. P. Johnson passed to full committee. The resolution designates May 2003 as "Motorcycle Awareness Month."

The following bills were rolled one week:

1. **HB 840** by Rep. Fowlkes
2. **HJR 262** by Rep. Roach

The following bills were taken off notice:

1. **HB 1123** by Rep. Harmon
2. **HB 1852** by Rep. Kernell

The Budget Hearings



Department of Agriculture

Matt Barnes

Research Analyst, Agriculture

On March 27, 2003, Ken Givens, Commissioner of the Department of Agriculture, presented the Department's 2003-2004 budget request to the House Finance, Ways, and Means Committee. The Department's **proposed budget totals \$72,235,400, which includes \$53,630,900 in dedicated state appropriations and \$10,333,200 in federal revenue.**

The Department's **9% reductions in state appropriations total \$6,830,400**, coming primarily through the abolishment of 33 full-time positions, 13 of which are currently filled and 20 vacant, and 3 seasonal positions.

Commissioner Givens noted the largest reduction is in the Agricultural Resources Conservation Fund, saving the state \$2,905,000 by redirecting revenue generated by the Realty Transfer Tax to the General Fund. As a result, grants that eventually make their way to landowners to install Best Management Practices and improve water quality will be eliminated.

The next largest reduction is coming in the Forest Fire Protection Program, saving the state \$1,626,100 by abolishing 20 vacant positions and reducing associated operational expenses. This amount also includes \$400,000 of equity funds, which accrue when employees leave and others start at lower salaries. Commissioner Givens noted this cut would have no impact on public health and safety.

Commissioner Givens mentioned the Department of Agriculture's efforts to improve Homeland Security by proposing legislation this year to secure and render inoperable all aircraft employed in aerial spraying activity when such aircraft are not in service. The bill, HB 2046 (McMillan) has passed the House and is making its

(continued on the next page)

Department of Agriculture, cont.

way through the Senate. The Department has also increased its security at the Ellington Agricultural Center to provide for 24-hour surveillance as long as the nation is under a Code Orange Alert.

The Department was able to cut \$100,000 in the Water Quality Program by making an official request to the Environmental Protection Agency. Currently, 8 Environmental Specialists in the Water Quality Program are funded 75% federal dollars, 25% state. The Department requested the EPA pay 100% of the funds, which the EPA subsequently granted.

Commissioner Givens claimed one of the more painful cuts is in the area of Agricultural Marketing and Development, where the Department is being forced to cut \$193,500. The painful part, according to Commissioner Givens, is in the reduction of various marketing and fair/livestock show support initiatives. As a result, the Department will not be able to provide blue ribbons at many of the fair contests this year.

Among notable performance measures by the Department, Commissioner Givens pointed out the Department's efforts in the Boll Weevil Eradication Program. Actual number of boll weevils captured in 2001-2002 totaled 1,417,800, while the number of captures estimated for 2002-2003 are 535,000 and 240,750 for 2003-2004. Commissioner Givens stressed the importance of this program by pointing out that Georgia nearly lost all of its cotton production because of the damage done by boll weevils.

Tennessee Advisory Commission on Intergovernmental Relations (TACIR)

Cathy Higgins

Research Analyst, Finance, Ways & Means

Dr. Harry Green, Executive Director, presented the budget for fiscal year 2003-04 on their rescheduled hearing day of Wednesday, April 9th. Dr. Green began the presentation by reading TACIR's mission statement: "Serve as a forum for the discussion and resolution of intergovernmental problems; provide high quality research support to state and local government officials to improve the overall quality of government in Tennessee; and to improve the effectiveness of the intergovernmental system to better service the citizens of Tennessee."

The commission's **total budget for fiscal year 2003-04 totals \$2,086,200** of which **\$280,000 will come from state appropriated dollars**. The remaining \$1,806,200 are "other" revenues. The commission did not make any improvement requests for the coming fiscal year.

The commission complied with Governor Bredesen's objective to reduce expenditures budget by 9 percent. This reduction will save the general fund \$190,900. The majority of the savings will come from reducing the state appropriation by \$155,600 and replacing these dollars with interdepartmental revenue. Dr. Green indicated that the increase in interdepartmental revenue is ambitious and if the increase does not materialize there will be a hole in the commission's budget. The remaining reductions to meet the 9 percent will come from operating costs and research project expenses totaling \$35,300.

Tennessee Department of Correction

Denise Sims

Director, House Research Division

Commissioner Quentin White, along with Deputy Commissioner Linda Dodson and Assistant Commissioner member Fred Hicks, presented the department's proposed FY 2003-04 budget to the Finance, Ways and Means Committee on Wednesday, April 9th.

The recommended **operating budget totals \$520,389,800 (\$489,606,900 state dollars)** for the department.

Operating Budget (State Dollars):

	State <u>Appropriation</u>	<u>Improvements (5)</u>	Total Recommended <u>State Appropriation</u>
Adult Institutions →	\$ 338,250,800	\$16,962,000	\$ 355,212,800
Programs →	129,394,100	5,000,000	134,394,100
	<u>\$ 467,644,900</u>	<u>+ 21,962,000</u>	<u>= \$ 489,606,900</u>

The five improvement requests within the budget are \$324,800 for the Hardeman County Correctional Facility, \$14,853,900 for the Whiteville Correctional Facility, \$1,223,300 for the South Central Correctional Center, \$560,000 for the Lois M. DeBerry Special Needs Facility, and \$5,000,000 for state prosecutions.

The recommended **capital budget request totals \$6,715,000** and includes six capital maintenance projects: 1) the development, testing and installation of a display control system at the Riverbend Maximum Security facility; 2) a security electronics upgrade at the West Tennessee State Penitentiary; 3) roofing system installation on six units at Riverbend; 4) boiler replacement at various sites; 5) installation of an emergency generator at Brushy Mountain; and 6) installation of emergency generator switch gear.

To comply with the governor's request, the department has proposed just over \$13 million in base reductions. Those nine reductions and two revenue generating proposals are as follows:

1. \$7,048,900 in the State Prosecution Account. In non-contract facilities, the cost-per-day cap will be reduced from \$35 to \$29. In addition, the Johnson City Jail Program will close all female beds. According to the department, Johnson City should be able to handle the overflow.
2. \$1,058,100 in Overtime Reduction. The department says this is approximately 25% of projected overtime.
3. \$153,500 in Training Reductions. This amount represents a two-week reduction in training time for correctional officers - from six to four weeks.
4. \$300,000 by Reducing Utilities at the Turney Center. The department is talking with a gas supplier to initiate its own contract.
5. \$80,000 in a Reduction of Travel Costs at All Locations.
6. \$350,000 from Professional Services - Other State Agencies. Aligns budget with actual year expenditures.
7. \$50,000 from Professional Services - Advertising. This reduces the job advertising budget in the Central Office by half.
8. \$1,957,200 by Reducing Supplies by 6%.
9. \$1,067,700 by Abolishing 34 Vacant Positions.
10. \$753,100 in Revenue from Safekeepers. Currently, the Department of Correction does not charge counties for safekeeping (i.e., housing offenders who, for whatever reason, cannot be housed with others in local facilities). The state holds these offenders for the locals, usually, until their trial comes up. The department will now charge those counties on a per-day payment basis.

(continued on the next page)

Correction, continued

11. \$ 200,000 from Expanding Work Release. In the work release program, 35% of the net income goes for room and board. TDOC now collects about \$100,000.

The committee asked if proposed cuts will affect security at any of the facilities. The department assured members that reductions will have no effect on security.

Alcoholic Beverage Commission

Brian Zuzenak

Research Analyst, Government Operations

On April 9, 2003 the Alcoholic Beverage Commission (ABC) presented its budget for the 2003-2004 fiscal year to the House Finance, Ways and Means Committee. Acting Director Danielle Elks represented the commission.

To fulfill the 9% budget reduction, ABC will be eliminating 4 positions (secretarial) and downgrading 2 positions (attorney and special agent). It will also be reducing its travel and supply expenditures. The total reduction is approximately \$167,000.

The commission does not believe that these reductions will significantly impact its service.

The commission also recommended ways in which they could become self-sufficient. Licensing fees, which are currently deposited in the general fund, could be credited to the agency. These fees currently fund other programs and would only be a transfer of funds. The commission has also recommended increasing licensing/permitting fees which have not been increased in forty (40) years.

Tennessee Corrections Institute

Brian Zuzenak

Research Analyst, Government Operations

On April 9, 2003 the Tennessee Corrections Institute (TCI) presented its budget for the 2003-2004 fiscal year to the House Finance, Ways and Means Committee. Executive Director Charles David Hensley represented the institute.

To fulfill the 9% budget reduction, TCI will be eliminating one vacant clerical position and cutting \$33,000 from their travel budget. The reduction in travel constitutes almost half of TCI's travel budget. Of the remaining travel budget, most (\$32,748) is used to cover the costs of assigned State vehicles that their specialists drive. TCI would have approximately \$2,000 to cover the rest of their travel expenses.

The department believes that these cuts will severely impact their ability to complete local training for county Corrections Officers and inspections and certification of local jails due to a lack of travel expenditures.

Commission on Aging and Disability

Judy Narramore

Research Analyst, Health & Human Resources

Executive Director James Whaley presented the Fiscal Year 2003-04 budget for the Commission on Aging and Disability. The Commission was directed to reduce state funds in its budget by \$857,400 to meet the Governor's 9 percent reduction target. The Commission's **total budget for fiscal year 2003-04 is \$36,338,900** (\$8,669,100 state; \$25,564,800 federal; and \$2,105,000 other).

Mr. Whaley identified the principles used to identify the cuts, as follows:

- Preserve state funds used to match federal funds.
- Maintain state funding in the Public Guardianship Program. The individuals served by this program have no other alternative for assistance and the court has appointed the program to serve as conservator for these individuals.
- Ability of each program to generate funds from other sources and the history of federal funding increases.
- Programs serving the most frail would be cut last.

The specific cuts identified by the Commission include:

- Reduce administrative travel by \$5,500.
- Eliminate state funding for the Retired Senior Volunteer Program (\$100,000). There is no state matching requirement for this program.
- Reduce state funds for senior centers by \$351,700, leaving \$1million in the account to fund 140 centers across the state. Some smaller centers may close and many will likely reduce their operating hours.
- Reduce state funding for home and community based services by \$400,200, which will increase the number of persons on the waiting list for services.

Final presentations will be heard on Thursday, April 17, 2003.

Scheduled Are:

**Health Services & Development Agency
(Health Facilities Commission)**



Council of Juvenile and Family Court Judges



Commission on Children and Youth



Department of Mental Health and Developmental Disabilities



F & A Health Services

